**FITNESS CHECK PUBLIC REPORTING**

**Polish Association of Listed Companies’ draft answer**

Szanowni Państwo,

W poniższym dokumencie przedstawiona jest propozycja odpowiedzi Stowarzyszenia Emitentów Giełdowych na dokument konsultacyjny dotyczący obowiązków raportowania spółek. Zachęcamy wszystkich członków Stowarzyszenia do:

- zgłoszenia do SEG uwag do niniejszego dokumentu

- samodzielnego wypełnienia dokumentu konsultacyjnego (dokument dostępny pod adresem: https://ec.europa.eu/info/consultations/finance-2018-companies-public-reporting\_pl)

W szczególności prosimy o zwrócenie uwagi na pytania nr 4 i 49 dotyczące kosztów raportowania. Prosimy o przesłanie Państwa szacunków, aby Stowarzyszenie mogło w swojej odpowiedzi przedstawić odpowiednie zanonimizowane, średnie statystyki.

Zwracamy uwagę, że stosunkowo wysoka ocena istniejącego reżimu regulacyjnego wynika nie tyle z rzeczywistego poziomu zadowolenia SEG, co z dostosowania się do metodologii przeglądu – im wyższy będzie poziom satysfakcji, tym mniejsze prawdopodobieństwo zmian, a jeśli będą zmiany, to raczej w kierunku dalszego doregulowania. Dlatego tylko w najbardziej krytycznych miejscach wskazujemy na potrzebę zmian regulacyjnych.

**Uwaga:** prosimy o przekazanie uwag w trybie rejestracji zmian i komentarzy do niniejszego projektu odpowiedzi oraz przesłanie ich na adres [regulacje@seg.org.pl](mailto:regulacje@seg.org.pl) w terminie do dnia 19.07.2018r.

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# **I. Assessing the fitness of the EU public reporting framework overall**

## Assessing the fitness of the EU Public Reporting Framework Overall

**1. Do you think that the EU public reporting requirements for companies, taken as a whole, have been effective in achieving the intended objectives?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Ensuring stakeholder protection |  |  |  | ✓ |  |  |
| Developing the internal market |  |  | ✓ |  |  |  |
| Promoting integrated EU capital markets |  |  |  | ✓ |  |  |
| Ensuring financial stability |  |  |  | ✓ |  |  |
| Promoting sustainability |  |  |  | ✓ |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| In general, the EU reporting framework has been effective. Nevertheless, we don’t find much evidence how the reporting framework has contributed to development of the internal market.  We would like to stress that only partial assessment is possible on promotion of sustainability, as the Non-Financial Reporting Directive is very recent and the first reports in certain countries are only available. For example, in Poland ca. 150 listed companies published their first non-financial reports covering the year 2017, while before the Non-Financial Reporting Directive only 30-40 of them published voluntary non-financial reports. Concerning the quality of reports, it’s still being assessed and we will be able to share results of this assessment with the EC when it’s ready (in October 2018). |

**2. Do you think that the EU public reporting requirements for companies, taken as a whole, are relevant (necessary and appropriate) for achieving the intended objectives?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Ensuring stakeholder protection |  |  |  | ✓ |  |  |
| Developing the internal market |  |  |  | ✓ |  |  |
| Promoting integrated EU capital markets |  |  |  |  | ✓ |  |
| Ensuring financial stability |  |  |  | ✓ |  |  |
| Promoting sustainability |  |  |  |  | ✓ |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples of any requirements that you think is not relevant.

|  |
| --- |
| Promotion of integrated EU capital market is a task to be achieved mainly on the EU level. Sustainability is a relatively new issue to many companies and therefore needs coordinated promotion on the EU level, combined with tools and solutions that would facilitate its adoption by companies and reduce resulting costs. |

**3. Companies would normally maintain and prepare a level of information that is fit for their own purposes, in a "business as usual situation". Legislation and standards tend to frame this information up to a more demanding level.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** | **Don't know** |
| With regards to the objectives pursued, do you think that the EU legislation and standards on public reporting are efficient (i.e. costs are proportionate to the benefits generated) |  |  |  | ✓ |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples of requirements that you consider most burdensome.

|  |
| --- |
| The assessment “mostly agree” is true regarding large companies. We would like to stress that for small and micro companies current reporting framework is very demanding, burdensome and causing significant relative compliance costs. |

**4. If you are a preparer company, could you please indicate the annual recurring costs (in € and in relation to the total operational cost) incurred for the preparation, audit (if any) and publication of mandatory public reporting:**

|  |  |
| --- | --- |
| Total amount in Euros | Amount as a % of total operating costs |
| €… | …% |

## Coherence

**5. Do you agree that the intrinsic coherence of the EU public reporting framework is fine, having regard to each component of that reporting?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Financial statements (preparation, audit and  publication) |  |  |  | ✓ |  |  |
| Management report (preparation, consistency  check by a statutory auditor, publication)  Please do not consider corporate governance statement or non-financial information |  |  |  | ✓ |  |  |
| Non-financial information (preparation, auditor's  check and publication) |  |  | ✓ |  |  |  |
| Country-by-country reporting by extractive /  logging industries (preparation, publication) |  |  |  |  |  | ✓ |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| Concerning non-financial information please refer to answer to Q2 – it is too early to assess the coherence of non-financial reporting. |

**6. Depending on circumstances, a company may have public reporting obligations on top of those being examined here. Such legislation may have been developed at the EU[[1]](#footnote-2), national or regional level. Should you have views on the interplay of these additional reporting obligations with the policies examined in this consultation, please comment below and substantiate it with evidence or concrete examples.**

## EU Added value

**7. Do you think that, for each respective objective, the EU is the right level to design policies in order to obtain valuable results, compared to unilateral and non-coordinated action by each Member State?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Ensuring stakeholder protection |  |  |  |  | ✓ |  |
| Developing the internal market |  |  |  |  | ✓ |  |
| Promoting integrated EU capital markets |  |  |  |  | ✓ |  |
| Ensuring financial stability |  |  |  | ✓ |  |  |
| Promoting sustainability |  |  |  |  | ✓ |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| In general we are in favour of harmonization of reporting on the EU level, but it would be good to leave a possibility for member states to create (or support self-created) local reporting frameworks for small and micro companies. The specificities of small and micro companies differ significantly among member states and it is not possible to create a single reporting framework that would fit them all without being burdensome and without causing excessive compliance costs. |

# **II. The financial reporting framework applicable to all EU companies**

## **Companies operating cross-border**

**8. In your view, to what extent do the addition of, and differences in, national reporting rules hinder the ability of companies to do cross border business within the EU single market?**

* Differences seriously hinder the ability to do business within the EU
* Differences hinder to some extent
* Differences do not hinder the ability to do business within the EU / are not significant
* Don't know

Please explain your response and substantiate it with evidence or concrete examples.

**9. To what extent to you think that the following differences, because they affect public reporting by companies, are significant impediments to cross-border establishment in the EU?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| **Areas covered by EU requirements** | | | | | | |
| Differences and lacunas in accounting standards or principles |  | **☑** |  |  |  |  |
| Differences in corporate governance standards |  | **☑** |  |  |  |  |
| Differences and overlaps arising from the presentation  of the financial statements (balance sheet, etc.) |  | **☑** |  |  |  |  |
| Differences arising from publication rules / filing with  business registers (publication deadlines, publication  channels, specifications) |  | **☑** |  |  |  |  |
| Differences arising from audit requirements |  | **☑** |  |  |  |  |
| Differences arising from dividends distribution rules or capital maintenance rules |  | **☑** |  |  |  |  |
| **Areas not covered by EU requirements** | | | | | | |
| Differences arising from specific bookkeeping  requirements such as charts of accounts, audit trail  requirements, data storage and accessibility |  |  |  | **☑** |  |  |
| Differences arising from language requirements  (Bookkeeping documentation, publication of financial  statements) |  |  |  | **☑** |  |  |
| Differences arising from the determination of taxable  Profit |  |  |  | **☑** |  |  |
| Differences arising from digital filing requirements (for  instance taxonomies used) |  |  |  | **☑** |  |  |
| Differences arising from software specifications |  |  |  | **☑** |  |  |
| **Other (please specify) …………..** |  |  |  |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

**10. How do you evaluate the impact of any hindrances to cross border business on costs relating to public reporting by companies?**

The impact of hindrances on costs are negligible or not significant

* The impact of hindrances on costs are somehow significant
* The impact of hindrances on costs are very significant
* Don't know

Please explain your response and substantiate it with evidence or concrete examples.

**11. On top of differences in national accounting rules, national tax laws will usually require the submission of a tax return in compliance with self-standing national tax rules, adding another layer of reporting standard.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Once a Common Corporate Tax Base is adopted at the EU  level, would you consider that the profit before tax  reported in the Profit or Loss statement and the  determination of the taxable profit should be further  aligned across EU Member States? | **** |  |  | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

**12. As regards the preparation of consolidated and individual financial statements how do you assess the ability of the following approaches to reduce barriers to doing business cross-borders?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| The EU should reduce the variability of standards from one Member State to another through more converged national GAAPs, possibly by removing options currently available in the EU accounting legislation |  | **☑** |  |  |  |  |
| The EU should reduce the variability of standards from one Member State to another by converging national GAAPs on the basis of a European Conceptual Framework |  | **☑** |  |  |  |  |
| The EU should reduce the variability of standards from one Member State to another by converging national GAAPs and in addition by addressing current lacunas in  the Accounting Directive (leases, deferred taxes, etc.) |  | **☑** |  |  |  |  |
| The EU should reduce the variability of standards from one Member State to another by establishing a "pan-EU GAAP" available to any company that belongs to a group. Such "pan-EU GAAP" may be the IFRS, IFRS for SMEs, or another standard commonly agreed at the EU level. |  |  |  |  | **☑** |  |
| Do nothing (status quo) | **☑** |  |  |  |  |  |
| Other (please specify) |  |  |  |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

Reduction of barriers resulting from differences in reporting should be done by adoption of international standards (IFRS, IFRS for SMEs), and not by creation or development of other reporting frameworks. This approach would contribute to higher level of coherence in reporting.

**13. As regards the publication of individual financial statements, the Accounting Directive (Article 37) allows any Member State to exempt the subsidiaries of a group from the publication of their individual financial statements if certain conditions are met (inter alia, the parent must declare that it guarantees the commitments of the subsidiary). Would you see a need for the extension of such exemption from a Member State option to an EU wide company option?**

* Yes
* No
* Don't know

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

## **SMEs**

**14. Do you agree that the EU approach is striking the right balance between preparers' costs and users' needs, considering the following types of companies?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Medium-sized |  |  |  | **☑** |  |  |
| Small |  |  | **☑** |  |  |  |
| Micro |  | **☑** |  |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

**15. EU laws usually define size categories of companies (micro, small, medium-sized or large) according to financial thresholds. Yet definitions may vary across EU pieces of legislation. For instance, the metrics of size-criteria for a micro-company in the Accounting Directive (for the financial statements) differ from those in the Commission Recommendation 2003/361/EC (Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (for the support by certain EU business-support programmes). For instance, the turnover may not exceed €700,000 for micro-companies in the Directive whereas it may not exceed €2,000,000 in the Recommendation.)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| In general, should the EU strive to use a single definition and unified metrics to identify SMEs across all the EU policy areas? |  |  |  |  | **☑** |  |
| In particular, should the EU strive to align the SME definition metrics in the Accounting Directive with those in Recommendation 2003/361/EC? |  |  |  |  | **☑** |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| There should be one single definition of SMEs, applied in all EU legislation, or at least in all legislation relating to capital markets. The most useful and simple definition would be the one based on the market cap of a company. |

## **Relevance of the content of financial reporting**

**16. How do you think that the current EU framework as regards the content of financial reporting is relevant (necessary and appropriate), having regards to the following information:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| A company's or group's strategy, business model, value creation |  |  |  | **☑** |  |  |
| A company's or group's intangible assets, including goodwill, irrespective of whether these appear on the balance sheet or not |  |  |  | **☑** |  |  |
| A company's or group's policies and risks on dividends, including amounts available for distribution |  |  |  | **☑** |  |  |
| A company's or group's cash flows |  |  |  | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain, including if in your view additional financial information should be provided:

**17. Is there any other information that you would find useful but which is not currently published by companies?**

* Yes
* No
* Don't know

If you answered yes, please explain what additional information you would find useful:

Current reporting obligations are alrealy a signifficant burden for companies and the EU should avoid imposing any new disclosure obligations. The legislative proposals resulting from the fitness check should aim at improving coherence among reporting frameworks and at reduction of redundant disclosure obligations.

**18. Financial statements often contain alternative performance measures such as the EBITDA.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **Don't know** |
| Do you think that the EU framework should define and require the disclosure of the most commonly used alternative performance measures? |  |  |  | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

There is a small number of alternative performance measures (APMs) that are commonly used by investors to evaluate companies and therefore are reported by companies. These APMs include, i.a. EBITDA (and its variations in some industry sectors), CAPEX and backlog, as well as some measures resulting from them (such as EV/EBITDA or net debt/EBITDA). Standardization of these APMs on a pan-European level would be useful both for investors and for companies. This standardization should not however take form of imposition of new disclosure obligations, but rather be in form of best practice or guidelines (similar to the non-binding guidelines on non-financial information reporting).

# **III. The EU financial reporting framework for listed companies**

## **The IAS Regulation and International Financial Reporting Standards (IFRS)**

**19. Given the different levels of commitment to require IFRS as issued by the IASB around the globe, is it still appropriate that the IAS Regulation prevents the Commission from modifying the content of IFRS?**

* Yes
* No, due to the risk of uneven level playing field for EU companies vis-à-vis companies established in third countries that do not require the use of IFRS as issued by the IASB.
* No, due to the risk that specific EU needs may not properly be addressed during the IASB standard setting process.
* No, due to other reasons.
* Don't know

If you answered "No, due to other reasons ", please specify.

**20. Since the adoption of IFRS by the EU in 2005, topics such as sustainability and long-term investment have come to the forefront of the regulatory agenda. Is the EU endorsement process appropriate to ensure that IFRS do not pose an obstacle to broader EU policy objectives such as sustainability and long-term investments?**

* Yes
* No
* Don't know

If you answered "No", please explain your position:

**21. How could the EU ensure that IFRS do not pose an obstacle to sustainability and long-term investments:**

* By retaining the power to modify the IFRS standards in well-defined circumstances;
* By making explicit in the EU regulatory framework that in order to endorse IFRS that are conducive to the European public good, sustainability and long-term investment must be considered;
* Other, please specify
* Don't know

**22. The True and Fair view principle should be understood in the light of the general accounting principles set out in the Accounting Directive18. By requiring that, in order to be endorsed, any IFRS should not to be contrary to the true and fair view principle, a link has been established between IFRS and the Accounting Directive. However, the principle of true and fair view is not laid down in great detail in the Accounting Directive, nor is it underpinned by e.g. a European Conceptual Framework that would translate these principles into more concrete accounting concepts such as recognition and measurement, measurement of performance, prudence, etc. Do you think that an EU conceptual framework should underpin the IFRS endorsement process?**

* Yes
* No
* Don't know

If you answered "No", please explain your position:

We don’t see the need for underpinning the IFRS endorsement by the European Conceptual Framework, as the use of IFRS is already required by the Transprancy Directive.

**23. The EU has not endorsed the IASB Conceptual Framework for Financial Reporting. The conceptual framework is a set of concepts used to develop IFRSs but can also be helpful in interpreting how IFRS standards have to be understood and applied in specific circumstances. This could enhance a common application of IFRSs within the EU.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Should the EU endorse the IASB Conceptual Framework for Financial Reporting? | **1**   | **2**   | **3**  **☑** | **4**   | **5**   | **Don't know**   |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

**24. Contrary to the Accounting Directives the EU endorsed IFRSs do not require companies to present financial information using a prescribed (minimum) lay-out for the balance sheet and income statement. Mandatory use of minimum layouts could enhance comparability of human readable financial statements19.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Do you agree with the following statement? Prescribed (minimum) layouts enhance comparability of financial statements for users and should therefore be introduced for companies using IFRS. | **1**   | **2**   | **3**   | **4**  **☑** | **5**   | **Don't know**   |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

## **Transparency Directive**

**25. Do you agree that the Transparency Directive requirements are effective in meeting the following objectives, notably in light of increased integration of EU securities markets?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Protect investors |  |  |  | | **☑** |  |  |
| Contribute to integrated EU capital markets |  |  | **☑** | |  |  |  |
| Facilitate cross border investments |  |  | **☑** | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

**26. Do you agree that abolishing the quarterly reporting requirement in 2013 by issuers contributed to the following?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Reducing administrative burden, notably for SMEs |  | **☑** |  | |  |  |  |
| Promoting long-term investment (i.e. discouraging the culture of short-termism on financial markets). | **☑** |  |  | |  |  |  |
| Promoting long-term and sustainable value creation and corporate strategies | **☑** |  |  | |  |  |  |
| Maintaining an adequate level of transparency in the market and investors' protection |  | **☑** |  | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

In Poland quarterly reports are still mandatory for all companies listed on the regulated market and in the alternative trading system. The option provided in the Transparecy Directive allowing member states to continue requirement of quarterly report has resulted in continuation of this disclosure obligation. Nonetheless we would like to stress that:

* Preparation of quarterly reports was assessed by companies as not very burdensome (although resulting in costs)
* Investors are used to quarterly reports and require them from companies
* Concentration on annual reports (and only on them) in the EU legislation would work towards promotion of long-term and sustainable value creation and fighting short-termism. This would however require not only abolishing, but also ban of quarterly and half-yearly reports. We stand on the position that this issue should be market-driven, i.e. the EU should encourage investors to concentrate on annual financial and non-financial information, investors in turn would require companies to produce better annual report, gradually shifting their attention from quarterly and half-yearly reports over time.
* Short-termism on capital markets is caused mainly by the Market Abuse Regulation and results from the obligation of instant disclosure of excessive information.

**27. Do you consider that the notifications of major holdings of voting rights in their current form**

**is effective in achieving the following?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Strengthening investor protection |  |  |  | | **☑** |  |  |
| Preventing possible market abuse situations |  |  |  | | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

**28. Do you agree that the disclosure and notification regime of major holdings of voting rights in**

**the Transparency Directive is overall coherent with the following EU legislation?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Coherent with EU company law |  |  |  | | **☑** |  |  |
| Coherent with the shareholders’ rights directive |  |  |  | | **☑** |  |  |
| Coherent with the obligation to disclose managers' transactions under Article 19 of the Market Abuse Regulation | **☑** |  |  | |  |  |  |
| Coherent with other EU legislation – please  specify |  |  |  | |  |  | **☑** |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or examples.

|  |
| --- |
| The regime of major holdings of voting rights is not coherent with Art. 19 of MAR. Especially the requirement to draw up and maintain a complete list of Persons Closely Associated is burdensome for all companies, their managers and all Persons Closely Associated, while serving no purpose in terms of investor protection or market integrity. In Poland, over 25.000 persons are listed on the lists of Persons Closely Associated (data from a test on Market Abuse Regulation done by the Polish Financial Supervision Authority one year after the introduction of MAR). We suppose that the number of Persons Closely Associated may amount for ca. 0,5 Million persons across the EU. The maintenance of those lists by companies is burdensome, time-consuming and costly and creates significant risks in terms of their coherence and GDPR regulations.  Therefore we propose to abolish the obligation to draw-up an maintain lists of Persons Closely Associated, as this is a perfect example of redundant and superfluous regulation serving no purpose at all. |

**29. As regards the following areas, did you identify a lack of coherence of legislation from one Member State to another that could jeopardize to some extent the objectives of investor protection, integrated capital markets and cross-border investment?**

* Yearly and half-yearly financial information
* On-going information on major holdings of voting rights
* Ad hoc information disclosed pursuant to the Market Abuse Directive
* Administrative sanctions and measures in case of breaches of the Transparency Directive requirements

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| The construction of administrative sanctions in case of breaches in the Transparency Directive is dangerous and discouraging for smaller companies. That is due to the fact that smaller companies face a risk of receiving a larger sanction than large companies (large companies face a maximum administrative fine of 5%, while smaller companies risk a sanction of EUR 10M, which may be significantly more than 5%). The maximum sanction for smaller companies should be limited to the same level, as for large companies (5% of annual turnover). |

**30. Should anything be done to improve public reporting by listed companies (documents, information, frequency, access, harmonisation, simplification)?**

Issuers in particular jurisdictions are obliged to produce multiple reports for various authorities (tax, statistical, social insurance etc.). Introducing single reporting principle (i.e. one file prepared by issuer forwarded to one information hub available for various authorities) would result in simplification of reporting and would enhance the operations of particular authorities.

# **IV. The EU financial reporting framework for banks and insurance companies**

**Sectoral issue / not addressed by Polish Association of Listed Companies (SEG)**

# **V. Non-financial reporting framework**

## **Non-Financial Reporting Directive**

**40. The impact assessment for the NFI Directive identified the quality and quantity of non-financial information disclosed by companies as relevant issues and pointed at the insufficient diversity of boards leading to insufficient challenging of senior management decisions. Do you think that these issues are still relevant?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| The quality and quantity of non-financial information disclosed by companies remain relevant issues. |  |  |  | |  | **☑** |  |
| The diversity of boards, and boards' willingness  and ability to challenge senior management  decisions, remain relevant issues. |  |  |  | |  | **☑** |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| Both answers were “totally agree”, but it is necessary to explain the rationale behind them:  1. The quantity and quality of non-financial information remains relevant issues due to the fact that the Non-Financial Information Directive is still very young and companies have only finished their first reporting cycle. It is too early to assess the mid- and long-term impact of the Directive on quality and quantity of non-financial information. In our opinion at least three full reporting cycles should turn before any reasonable conclusions can be drawn as to whether the scope of the Directive is well tailored. At present we can only assess the impact of the Directive from the first reporting cycle and from a partial evaluation of ca. 150 reports published in Poland.  2. We regard diversity of boards as a relevant issue but in our opinion disclosure requirements are not the right tool to support more diversity. In our opinion, the level of disclosure requirements in this issue is right and should not be changed in future. |

**41. Do you think that the NFI Directive's disclosure framework is effective in achieving the following objectives?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Enhancing companies' performance through better assessment and greater integration of non-financial risks and opportunities into their business strategies and operations. |  |  | **☑** | |  |  |  |
| Enhancing companies' accountability, for example with respect to the social and environmental impact of their operations. |  |  | **☑** | |  |  |  |
| Enhancing the efficiency of capital markets by helping investors to integrate material non-financial information into their investment decisions. |  |  |  | | **☑** |  |  |
| Increasing diversity on companies' boards and countering insufficient challenge to senior management decisions. | **☑** |  |  | |  |  |  |
| Improving the gender balance of company boards. | **☑** |  |  | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| Regarding first two issues: we suppose that the NFI Directive framework will be effective in achieving the objectives mentioned, but it is still too early to draw final conclusions and the matter should be assessed after at least three full reporting cycles.  Regarding the third issue: reporting framework has been set, now it is time for investors to use the information provided by companies and take ESG issues into their investment decisions. This can and should be facilitated and promoted through various initiatives set out in the Action Plan “Financing Sustainable Future”, aimed at investors’ community and at financial institutions, banks and insurance companies.  Regarding the last two issues: disclosure requirements are adequate in this area and should not be changed. It is important to stress that the shape of disclosure requirements is not the right tool to promote and increase diversity or gender balance of company boards. |

**42. Do you think that the NFI Directive's current disclosure framework is effective in providing non-financial information that is:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Material |  |  |  | | **☑** |  |  |
| Balanced |  |  |  | | **☑** |  |  |
| Accurate |  |  |  | | **☑** |  |  |
| Timely |  |  |  | |  | **☑** |  |
| Comparable between companies |  | **☑** |  | |  |  |  |
| Comparable over time |  |  | **☑** | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| We assess positively the reporting framework set by the NFI Directive. Nonetheless the current reporting framework can’t assure comparability of non-financial information between companies. Moreover, it should not seek any higher degree of comparability, as companies differ significantly in terms of their impact on various ESG issues. Comparability within industries and sectors should be looked for and can be achieved within the framework set by the NFI Directive. The Directive allows companies to use international or national reporting standard or set of rules. The Non-Financial Information Standard, a standard developed in Poland as a tool for companies to comply with the NFI Directive proved to be widely recognized and used by companies and well accepted by investors and other stakeholders for providing comparable measures among different sectors of the economy. The Standard was developed by the Foundation for Reporting Standards and the Polish Association of Listed Companies, coordinated with and supported by a group of other institutions, authorities and associations representing various stakeholders. The EU should strive to promote such standards, as they will allow better disclosure of non-financial information and will help to achieve comparability between companies within industries and sectors. |

**43. Do you agree with the following statement?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| The current EU non-financial reporting framework is sufficiently coherent (consistent across the different EU and national requirements)? |  |  |  | | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

**44. Do you agree with the following statement?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| The costs of disclosure under the NFI Directive disclosure framework are proportionate to the benefits it generates. |  |  |  | | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| As mentioned before, it is too early to fully assess the cost and benefit analysis of the NFI Directive reporting framework. The companies have provided non-financial information in the first reporting cycle, it is time for investors and other stakeholders to use this information. Additional promotion of the use of non-financial information by investors, banks and insurance companies is needed, in line with initiatives resulting from the Action Plan “Financing Sustainable Future” |

**45. Do you agree with the following statement?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| The scope of application of the NFI Directive (i.e. limited to large public interest entities) is appropriate. |  |  | **☑** | |  |  |  |

(1= Far too narrow, 2= Too narrow, 3= about right, 4= too broad, 5 = way too broad)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

**46. It has been argued that the NFI Directive could indirectly increase the reporting burden for SMEs, as a result of larger companies requiring additional non-financial information from their suppliers.**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Do you agree that SMEs are required to collect and report substantially more data to larger companies as a result of the NFI directive? |  |  |  | |  | **☑** |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| Yes, the first reporting cycle has proven that the argument. raised by the Polish Association of Listed Companies in the legislative process before the NFI Directive came into force, was accurate. During the preparations of the first non-financial reports we have received many signals that large companies obliged to disclose non-financial reports required non-financial data and information from SMEs in their value chains. That includes not only SMEs which are part of capital groups of large companies, but also – and most of all – independent SMEs which are subcontractors or providers of goods and services for large companies. Many of those SMEs were not prepared to the obligation of preparing significant amount of data that wasn’t gathered by them on regular basis before. |

**47. Do you agree with the following statement?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| The non-binding Guidelines on Non-Financial reporting issued by the Commission in 2017 help to improve the quality of disclosure. |  |  |  | | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| The scope, character and form of the non-binding Guidelines proved to be well tailored for the needs of companies that had to prepare their non-financial reports for the first time. That was achieved i.a. through comprehensive explanations what key principles (materiality etc.) mean in case of non-financial information. It is also important that the Guidelines don’t favour any particular standard or reporting framework. In case the Guidelines are revised in the future, more examples of reporting frameworks and standards may prove useful, including national standards used in certain member states. |

**48. The Commission action plan on financing sustainable growth includes an action to revise the 2017 Guidelines on Non-Financial Reporting to provide further guidance to companies on the disclosure of climate related information, building on the FSB TCFD recommendations. The action plan also states that the guidelines will be further amended regarding disclosures on other sustainability factors. Which other sustainability factors should be considered for amended guidance as a priority?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Environment (in addition to climate change already included in the Action Plan) |  |  |  | |  | **☑** |  |
| Social and Employee matters |  | **☑** |  | |  |  |  |
| Respect for human rights |  |  |  | | **☑** |  |  |
| Anti-corruption and bribery | **☑** |  |  | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

**49. If you are a preparer company, could you please estimate the increased cost of compliance with national laws on non-financial disclosure that were adopted or amended following the adoption of the NFI Directive in 2014, compared to annual non-financial disclosure costs incurred before the adoption of the NFI Directive?**

|  |  |  |
| --- | --- | --- |
|  | Total amount in  Euros | Amount as a % of  total operating costs |
| One-off costs of reporting for the first time |  |  |
| Estimated recurring costs |  |  |

**50. How would you assess, overall, the impact of the NFI Directive disclosure framework on the competitiveness of the reporting EU companies compared to companies in other countries and regions of the world?**

* Very positive impact on competitiveness
* Somewhat positive impact on competitiveness
* No significant impact on competitiveness
* Somewhat negative impact on competitiveness
* Very negative impact on competitiveness
* Don’t know

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

## **Country-by-country reporting by extractive and logging industries**

Question 51. Do you think that the public reporting requirements on payments to governments ("country-by-country reporting") by extractive and logging industries are:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1 (totally disagree) | 2 (mostly disagree) | 3 (partially disagree and partially agree) | 4 (mostly agree) | 5 (totally agree) | Don’t know /no opinion /not relevant |
| \*effective (successful in achieving its objectives) |  |  |  |  |  |  |
| \*efficient (costs are proportionate to the benefits it has generated) |  |  |  |  |  |  |
| \*relevant (necessary and appropriate) |  |  |  |  |  |  |
| \*coherent (with other EU requirements) |  |  |  |  |  |  |
| \*designed at the appropriate level (EU level) in order to add the highest value (as compared to actions at Member State level) |  |  |  |  |  |  |

\*

Please explain your response to question 51 and substantiate it with evidence or concrete examples:

\*

Question 52. As a preparer company, could you please indicate the annual recurring costs (in € and in relation to total operating costs) incurred for the preparation, audit (if any) and publication of the “country-by-country report”:

\* Total amount in Euros of **one-off costs of reporting** for the first time for the “country-by-country report”:

€

\* Amount as a % of total operating costs of **one-off costs of reporting for the first time** for the “country-by-country report”:

%

\* Total amount in Euros of annual recurring costs for the “country-by-country report” - **estimated recurring costs**:

€

\* Amount as a % of total operating costs of annual recurring costs for the “country-by-country report” - **estimated recurring costs**:

%

\*

Question 53. How would you assess, overall, the impact of country-by-country reporting on the competitiveness of the reporting EU companies?

|  |  |
| --- | --- |
| **radio button** | **label** |
|  | Very positive impact on competitiveness |
|  | Somewhat positive impact on competitiveness |
|  | No significant impact on competitiveness |
|  | Somewhat negative impact on competitiveness |
|  | Very negative impact on competitiveness |
|  | Don’t know / no opinion / not relevant |

\*

Please explain your response to question 53 and substantiate it with evidence or concrete examples:

## **Integrated reporting**

**54. Do you agree that integrated reporting can deliver the following benefits?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| More efficient allocation of capital, through improved quality of information to capital providers |  |  |  | | **☑** |  |  |
| Improved decision-making and better risk management in companies as a result of integrated thinking and better understanding of the value-creation process |  |  |  | |  | **☑** |  |
| Costs savings for preparers | **☑** |  |  | |  |  |  |
| Cost savings for users |  |  |  | | **☑** |  |  |
| Other, please specify: reduction of the volume of reporting resulting in better understanding of companies by their stakeholders |  |  |  | |  | **☑** |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| Introduction of integrated reporting will definitely mean additional cost for preparing companies. This can be off-set only in case of integrated reporting replacing current reporting obligations.  There will be no benefit in adding integrated reports as just another report that companies need to prepare. The real value of integrated reporting lies in those reports replacing all other forms of reports prepared currently by companies. Such a profound change in the overall reporting framework would need deep changes in the whole legislative infrastructure and needs the right time for planning and roll-out. |

**55. Do you agree with the following statement?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| A move towards more integrated reporting in the EU  should be encouraged |  |  |  | |  | **☑** |  |
| The costs of a more integrated reporting would be proportionate to the benefits it generates (would be  efficient) |  |  |  | |  | **☑** |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| We are in favour of the EU encouraging companies to prepare and investors and other stakeholders to use integrated reports, yet we don’t agree that this should be done fast and in an obligatory way.  The costs of integrated reporting would be proportionate to the benefits it generates only in case integrated reports replace all other forms of reports. In case integrated reports are introduced as just another additional type of annual reports, the costs to prepare them would outweigh significantly any benefits they may incure. |

**56. Is the existing EU framework on public reporting by companies an obstacle to allowing companies to move freely towards more integrated reporting?**

* Yes
* No
* Don’t know

If you answered "Yes", please clarify your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| The existing EU framework on public reporting creates no benefits for companies to prepare and investors and other stakeholders to use integrated reports. Companies in majority see no point in preparing integrated reports as long as they are still obliged to prepare separate financial, non-financial, governance etc. reports. In fact the existing reporting framework discourages companies from preparing integrated reports and encourages a disintegrated, separated and granulated view of the company’s capitals and prevents the management boards from seeing a broader picture of the relations of their companies and the natural and social environments. |

# **VI. The digitalisation challenge**

## **Questions**

**57. Do you consider the existing EU legislation to be an obstacle to the development and free use by companies of digital technologies in the field of public reporting?**

* Yes
* No
* Don't know

If you answered "yes", please explain your response and substantiate it with evidence or concrete examples

|  |
| --- |
|  |

**58. Do you consider that increased digitalisation taking place in the field diminishes the relevance of the EU laws on public reporting by companies (for instance, by making paper-based formats or certain provisions contained in the law irrelevant)?**

* Yes
* No
* Don't know

If you answered "yes", please explain your response and substantiate it with evidence or concrete examples

|  |
| --- |
| The digitalisation processes require structured data. Once large amount of structured financial data from a certain group of companies is available (i.e. once ESEF reports are prepared) it is highly probable that users of information will concentrate more on the data that is available in a digitalized, structured form (financial data), thus diminishing the importance of other information prepared by companies in a non-structured way. |

## **The impact of electronic structured reporting**

**59. Do you think that, as regards public reporting by listed companies, the use of electronic structured reporting based on a defined taxonomy (ESEF) and a single access point (EEAP) will meet the following intended objectives:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Improve transparency for investors and the public |  |  |  | | **☑** |  |  |
| Improve the relevance of company reporting |  |  |  | | **☑** |  |  |
| Reduce preparation and filing costs for companies |  | **☑** |  | |  |  |  |
| Reduce costs of access for investors and the public |  |  |  | |  | **☑** |  |
| Reduce other reporting costs through the re-use of  companies' public reporting of electronic structured data for other reporting purposes (e.g. tax authorities, national statistics, other public authorities) |  | **☑** |  | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please provide an estimated order of magnitude or qualitative comments for such cost reductions (e.g. % of preparation costs or % of costs of accessing and analysing data...):

|  |
| --- |
|  |

**60. In your opinion, on top of the financial statements, do you think that the following documents prepared by listed companies should contain electronic structured data?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| *Financial reporting* |  |  |  | |  |  |  |
| Half-yearly interim financial statements |  |  |  | |  | **☑** |  |
| Management report |  |  |  | | **☑** |  |  |
| Corporate governance statement |  | **☑** |  | |  |  |  |
| Other disclosure or statements requirements under the Transparency Directive such as information about major holdings |  |  |  | |  |  | **☑** |
| *Non-financial reporting and other reports* |  |  |  | |  |  |  |
| Non-financial information |  | **☑** |  | |  |  |  |
| Country-by-country report on payments to governments |  | **☑** |  | |  |  |  |
| Other, please specify:…………….. |  |  |  | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

**61. Once the ESEF is fully developed and in place for listed companies, would this EU language add value as a basis to structure the financial statements, management reports etc. published by any limited liability company in the EU?**

* Yes
* No
* Don't know

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

**62. As regards the non-financial information that listed companies, banks and insurance companies must publish, do you think that digitalisation of this information could bring about the following benefits?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Facilitate access to information by users |  |  | **☑** | |  |  |  |
| Increase the granularity of information disclosed |  |  |  | | **☑** |  |  |
| Reduce the reporting costs of preparers | **☑** |  |  | |  |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
| Digitalisation of non-financial information is a complex matter as companies differ significantly in terms and scope of non-financial information published, due to the fact that different ESG aspects are material for different companies. No digitalisation of non-financial reports should be encouraged or implemented before the EU sustainability taxonomy is developed. Nonetheless we would like to stress that the EU sustainability taxonomy should be developed with broad inclusion of representatives of companies in the technical expert group, as only those representatives may point towards specificities and issues that may be otherwise omitted by representatives of other groups of stakeholders. The right development of the taxonomy is key to it being widely used first by financial institutions, investors, banks and insurance companies and later by companies disclosing non-financial reports. |

**63. Digitalisation facilitates the widespread dissemination and circulation of information. Besides, the same corporate reporting information may be available from different sources, such as a company’s web site, an OAM, a business register, a data aggregator or other sources. In a digitalised economy, do you consider that electronic reporting should be secured by the reporting company with electronic signatures, electronic seals and/or other trust services?**

* Yes
* No
* Don't know

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
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## **Data storage mechanisms – data repositories**

**64. Considering the modern technologies at hand to interconnect databases on information filed by listed companies with the OAMs, do you agree with the following statements?**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| A pan-EU digital access to databases based on modern technologies would improve investor protection |  |  |  | | **☑** |  |  |
| A pan-EU digital access to databases based on modern technologies would promote cross border investments and efficient capital markets |  |  |  | | **☑** |  |  |
| The EU should take advantage of a pan-EU digital access to make information available for free to any user |  |  |  | |  | **☑** |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

**65. Public reporting data in the form of structured electronic data submitted by listed companies could potentially be re-used for different purposes by different authorities. For instance, by filing a report once with an OAMs and re-using it for filing purposes with a business register. In your opinion, should the EU foster the re-use of data and the “file only once” principle?**

* Yes
* No
* Don't know

Please explain your response and substantiate it with evidence or concrete examples.

|  |
| --- |
|  |

## **Coherence with other Commission initiatives in the field of digitalisation**

**66. On 1 December 2017, the Commission launched a Fitness Check on the supervisory reporting frameworks. In parallel, the financial data standardisation (FDS) project, launched in 2016, aims for a ‘common financial data language’ across the board for supervisory purposes. The Commission will report by summer 2019 27.**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | | **3** | **4** | **5** | **Don't know** |
| Should the EU strive to ensure that labels and concepts contained in public reporting by companies are standardised and aligned with those used for supervisory purposes? |  |  |  | | **☑** |  |  |

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

## **Other comments**

67. Do you have any other comments or suggestions?

We would like to stress two most important propositions mentioned before:

* Possibility to introduce less burdensome, lighter reporting frameworks for small and micro companies, i.a. in form of local reporting frameworks supported by member states.
* Single reporting principle as a general principle that should be taken into account in all future reforms of the EU reporting framework for all companies.

1. For example, under the Shareholders’ Rights Directive 2007/36/EC, companies must publicly announce material transactions with related parties, establish remuneration policy and draw up a remuneration report for the attention of the shareholders, etc. Under the Directive on Capital Requirements for banks (2013/36/EU, Art. 96) banks must maintain a website explaining how they comply with corporate governance requirements, country by country reporting and remuneration requirements. The Solvency II Directive (2009/138/EC) requires Insurance and reinsurance undertakings to publish their Solvency and Financial Condition Report. A prospectus, regulated by the Prospectus Directive (2003/71/EC) and Regulation ((EU) 2017/1129) is a legal document that describes a company's main line of business, its finances and shareholding structure. As regards Market Abuse Directive and Regulation, see specific questions further down. [↑](#footnote-ref-2)